

Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20054

July 1, 2002

Dear Secretary:

These comments are being submitted in regard to the FCC notice of proposed rulemaking regarding the health care aspects of the Universal Service Fund (WC Docket No. 02-60). We would like to submit the following recommendations:

- Eligible health care providers: We recommend that nursing homes, long-term care facilities, hospice, home health agencies and emergency medical services providers should be included as eligible health care providers. There is an increasing trend to utilize telehealth technologies in rural nursing homes, long-term care facilities, EMS and for the provision of home health care. Agencies providing these types of care should have equal access to the Universal Services discount program as it is made available to other types of providers.
- Eligible services--Discounts on Internet access charges: We recommend that discounts on any form of Internet access charges are appropriate. In rural America, current Internet access charges are a detriment to the provision of health care. Many rural health care providers have no access to the Internet due to their inability to pay for high access charges. We also feel that discounts should be provided to underwrite access to Internet connectivity via any modality, to include non-telecommunications service providers. A rural provider in Chewelah, Washington, had to obtain Internet service via microwave hookup four blocks between their clinic and the nearest available Internet service. The discount should apply to that intermediary. This same provider has a clinic in Ione, Washington. The state allowed the Ione dam fiberoptic capacity to be made available to this clinic. That cost should also be allowable under this program. Discounts should include broadband connections for eligible providers. The modern American medical care delivery system is a complex one that melds delivery of basic and advanced medicine with public and private payment systems and substantial administrative, medical and financial record keeping needs. Broadband connections can support access to the Internet, but can also provide a pathway for other activities, including video conferencing. Discounts on charges paid to Internet service providers are not unimportant and should be provided, but alone that is too narrow a focus if the fund is to have a substantial impact on the delivery of health care in rural areas. PUD lines should be discounted if that telecommunications technology provides a quality service that supports

its use for medical purposes. These discounts should be based on comparisons of bandwidth rather than specific technologies as the choices available for rural communities are generally more limited than are those in urban areas. In some situations, the Internet capacity is too slow for telehealth services. DSLs and WDSLs are needed but are expensive and require a high degree of maintenance, as well as technical assistance and, optimally, collaboration with local service providers. Shared access with unlike providers (such as schools and libraries) does not always work due to HIPAA requirements and different encryption and firewalls. Healthcare providers need full access 24/7 which is not always possible in a shared application.

- Services and Equipment Necessary for the Provision of Health Care: The Commission should make funds available for equipment and technical assistance as well as for services. Support for the purchase of telecommunication and broadband equipment including support for internal connections is needed. In Washington State access to broadband services is not within the reach of rural health care providers because, among other reasons, they do not have the funds to purchase the equipment necessary. Eligible rural providers need support for equipment to permit the exchange of data produced by radiologic imaging equipment and also need support for the purchase of video conferencing equipment. The latter is particularly important because some insurers will not cover the cost of consultation if the distant physician does not see, literally, the patient. The Commission should grant funds to at least one medical school in every state for the purpose of planning how the medical school can support rural health care providers through the creation or participation in consortia that have as their purpose increased efficiency and effectiveness in the use of telecommunications equipment and services for the delivery of rural health care. The grant amounts should be sufficient to fund participation by medical school faculty and telecommunications staff from consortia, the medical school, or both. It should also be sufficient to fund travel costs for representatives of rural health care providers as well as medical school and consortia staff. Funds should be included to reimburse rural health care providers that hire relief staff when direct care personnel are on travel status for planning purposes. Rural providers are requesting that this fund be used to purchase local technical assistance to develop a plan that is specific to local needs and capacity and that has a business plan included. Universities do have a good track record with this task; providers want to purchase local relevant and timely technical assistance.
- Changing the Calculation of Discounted Services: We recommend that the Maximum Allowable Distance (MAD) policy be eliminated. In remote frontier and rural areas, this policy is a detriment to health care accessibility. The existing mechanism encourages the “Telco’s” to legally raise the rates they charge to customers because they know the client would still pay the same under the discounted mechanism. The application process involves

extremely complex calculations of “standard urban rate” and “maximum allowable distance” (SUD and MAD) that lead to small discounts for modest high-speed connections. Use of the SUD and MAD in Washington State results in comparisons for many eligible providers to rates in Spokane when in fact the need is to be connected with institutions and physicians in Seattle. SUD and MAD add complexity without regard to actual circumstances affecting eligible providers. The rate comparisons should be made utilizing the rates of any urban area in a state, not just the closest city of 50,000.

- Simplifying the Application Process: We recommend that the application process required for rural providers be simplified. It is important to recognize that small, rural providers are often not part of a system of care in which the corporate administration completes the application process on behalf of the rural entity. Technical assistance should be provided to assist rural health care providers in understanding how to get information from the “Telco’s”, and in processing the Universal Services discount application.
- Rate Comparisons: We recommend that discounts be calculated by comparing services based on functionality of the service from the perspective of the end user. Currently the rules do not state how urban and rural services are compared, and therefore discounts are based on difference in urban and rural rates between the same or similar services. However, doing so does not take into account the fact that some less expensive services in urban areas may not be available in rural areas, and rural providers are thus required to seek out more expensive services.
- Annual Renewal Policy for USF Support: We recommend that the annual application process currently in effect be replaced with a multi-year process, unless major changes have occurred in the connectivity during the year that require reporting. The annual renewal process is overly burdensome and does not reflect the fact that the health care provider has probably signed a multi year contract with a “Telco” and does not anticipate a change in service. We recommend the use of an annual, simple “no change” form to be completed and submitted by the health care provider. A multi-year form could be offered as an option.
- Competitive Bidding Process: We recommend that rural health care providers who have already selected a telecommunications service provider be eligible for program support. Often in the rural areas, there is only a single telecommunication service provider. Where more than one does exist, a competitive bidding process has most likely taken place before the preferred telecommunication service provider was selected by the health care provider. Additionally, in order to receive cost-effective rates, health care providers often enter into multi-year contracts with their telecommunication service provider. The fact that a health care provider has already taken these steps to

reduce their telecommunications costs thereby makes them ineligible under the current rules for the Universal Service program.

- Rural Definition: We recommend that the FCC adopt the same definition of rural as that adopted by the Federal Office of Rural Health Policy. The definition is called Rural Urban Area Commuting Codes (Recaps) and was developed by the WAMI Rural Health Research Center at the University of Washington and the U.S. Department of Agriculture's Economic Research Service.
- National Defense: We agree that insofar as is possible, the Universal Service Discount Service should be used as a vehicle to promote national defense, through providing incentives to promote safety of life and property through the use of wire and radio communications. As a result of the tragic events of September 11, 2001, there is a new understanding of the importance of rural considerations in our national state of emergency preparedness. Nuclear, chemical, or bioterrorist events are as likely to impact our rural communities as our urban centers. These rural communities historically have been least prepared to respond, by virtue of their geographic isolation from tertiary or quaternary medical expertise and our long-standing weak public health infrastructure. Yet our rural health care system will be called upon to provide services in coordination with our public health agencies. If unconnected and untrained, our nation's rural healthcare providers cannot be expected to provide appropriate diagnosis and care in service to homeland security. The benefits of enhanced connectivity in our rural system cannot be understated. We recommend that the FCC provide incentives for national connectivity of current state-wide telehealth and telemedicine networks, in order that those networks can serve as vehicles for rapid, secure communications in times of emergency, as well as for training and education related to bioterrorism response.
- Partnerships with Clinics at Schools and Libraries: We recommend that the Universal Service Discount Service provide incentives for the development of partnerships and linkage mechanisms in rural and frontier communities in which separate T-1 circuits have been separately installed to libraries, schools, and health care providers in a single community. There should be incentives for cost sharing of a single T-1 or T-3 to those communities that are small enough to share a line and its costs, and where geographic realities make line sharing possible. However, there is a concern here. Health care providers with discounts provided for the delivery of health care have noticed and wonder why a disparity seems to exist between what USAC pays as a subsidy for health care relative to what they pay for schools and libraries. Schools and libraries seem to pay only a fraction of the amount for similar services when compared to what health care providers pay. Perhaps the logic initially behind this decision was that rural providers could afford to pay the high rate. That

logic is a myth. We ask the Commission consider developing a similar Schools and Libraries discount formula for the health care program.

- NPRM Comments: We recommend that simple submission processes accompany future requests for comments from the FCC. The current process for submitting comments is lengthy, unwieldy and potentially confusing to many would-be respondents. The process should be greatly streamlined and simplified.

We appreciate the opportunity to submit these comments.

Sincerely,

A handwritten signature in cursive script that reads "Evelyn Torkelson". The signature is written in black ink and is positioned below the word "Sincerely,".

Evelyn Torkelson, President
Washington Rural Health Association